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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises

## PAID UP OIL AND GAS LEASE

	(170	Suriace	Use)				
THIS LEASE AGREEMENT is made this	4 day of	Marc	h		2009 by	and between	
$\tau$ . $\alpha$	ried perso	, .	:	soi ned	his	Spouse	
whose addresss is 5158 Erath	-1 1		Texas	70119	9	7	as Lessor,
and, DALE PROPERTY SERVICES, L.L.C., 2100 I	Ross Avenue, Súite 18	70 Dallas Texas 75	201, as Lessee.	All printed por			
hereinabove named as Lessee, but all other provision 1. In consideration of a cash bonus in han	ons (including the compl id paid and the covena	etion of blank spaces; nts herein contained,	were prepared ( Lessor hereby	jointly by Lesso grants, leases	or and Les and lets	see. exclusively to Les:	see the following
described land, hereinafter called leased premises:	·		·				
177	ND 1 500 DENIG 1	OT10) 61.7				DI OOK	7
OUT OF THE Glen Fark	DR LESS, BEING L	.01(S)	<i>*</i>	ΔΠΠΙΤΙΟΙ	Ν ΔΝΔ	, BLOCK \DDITION TO T ERTAIN PLAT	THE CITY OF
Fort Worth	, TARRAN	T COUNTY, TEX	(AS, ACCOR	RDING TO T	HAT C	ERTAIN PLAT	RECORDED
IN VOLUME <u>358-D</u> , PA	GE <u>289</u>	OF THE	PLAT RECO	ORDS OF TA	ARRAN	T COUNTY, TE	EXA\$.
in the County of $\underline{Tarrant}$ . State of TEXAS, contain	ining <u>172                                    </u>	gross acres, more o	or less (including	any interests t	herein wh	ich Lessor may her	eafter acquire by
reversion, prescription or otherwise), for the purpo- substances produced in association therewith (in	ose of exploring for, dev icluding geophysical/sei	eloping, producing a smic operations). T	nd marketing oi he term "gas" a	i and gas, aion as used herein	g with all ⊢includes	nydrocarbon and ⊢helium, carbon d	non nyorocarbon ioxide and other
commercial gases, as well as hydrocarbon gases. land now or hereafter owned by Lessor which are	In addition to the above	e-described leased p	remises, this lea	ase also covers	accretion	is and any small st	rips or parcels of
Lessor agrees to execute at Lessee's request any a	additional or supplement	al instruments for a m	ore complete or	accurate descri	ption of th	ne land so covered.	For the purpose
of determining the amount of any shut-in royalties h	ereunder, the number of	gross acres above s	peçiried shall be	deemed correc	i, wneme	ractually more or te	35.
<ol><li>This lease, which is a "paid-up" lease requas long thereafter as oil or gas or other substances</li></ol>	uiring no rentals, shall be	in force for a primary	term of <u>F</u>	VC (	<u>5</u>	)years from the da	te hereof, and for
otherwise maintained in effect pursuant to the provis-	sions hereof.						
<ol><li>Royalties on oil, gas and other substance separated at Lessee's separator facilities, the royal</li></ol>	s produced and saved lefty shall be	nereunder shall be pa	id by Lessee to	Lessor as follo	ws: (a) F luction, to	or oil and other liq be delivered at L	uid hydrocarbons essee's option to
Lessor at the wellhead or to Lessor's credit at the o	oil purchaser's transport	ation facilities, provide	ed that Lessee s	thall have the co	ontinuing	right to purchase s	uch production at
the wellhead market price then prevailing in the sa prevailing price) for production of similar grade.	and gravity; (b) for ga	s (including casing h	nead gas) and	all other subst	ances co	vered hereby, the	royalty shall be
severance, or other excise taxes and the costs inci	) of the proceeds reali. urred by Lessee in delive	zed by Lessee from the	ne sale thereof, therwise market	less a proportio ing such gas or	nate part other sul	of ad valorem taxe ostances, provided	s and production, that Lessee shall
have the continuing right to purchase such producti then prevailing in the same field, then in the neare	on at the prevailing well	head market price pai	d for production	of similar qualit	y in the s	ame field (or if there	e is no such price
nearest preceding date as the date on which Lesse	e commences its purcha	ises hereunder; and (	<li>c) if at the end o</li>	f the primary ter	m or any	time thereafter one	or more wells on
the leased premises or lands pooled therewith are a hydraulic fracture stimulation, but such well or wells	are either shut-in or pro	duction there from is	not being sold b	y Lessee, such	well or wa	ells shall neverthele	ess be deemed to
be producing in paying quantities for the purpose of being sold by Lessee, then Lessee shall pay shut⊣	f maintaining this lease.	If for a period of 90 c	consecutive days	s such well or w	elis are si	hut-in or praduction	there from is not
depository designated below, on or before the end	of said 90-day period at	nd thereafter on or be	fore each annive	ersary of the en-	d of said	90-day period while	the well or wells
are shut-in or production there from is not being s Lessee from another well or wells on the leased pro	emises or lands pooled t	herewith, no shut-in r	oyalty shall be d	lue until the end	of the 90	)-day period next fo	llowing cessation
of such operations or production. Lessee's failure to 4. All shut-in royalty payments under this lea	o properly pay shut-in ro	valty shall render Les	see liable for the	e amount due, b	ut shall n	ot operate to termin	ate this lease.
be Lessor's depository agent for receiving payment	s regardless of changes	in the ownership of s	aid land. All pay	ments or tender	's may be	made in currency,	or by check or by
draft and such payments or tenders to Lessor or to address known to Lessee shall constitute proper pa	s the depository by depo syment. If the depositor	sit in the US Mails in y should liquidate or l	a stamped enve be succeeded by	eiope addressed y another institu	a to the di Ition, or fo	epository or to the or any reason fail or	refuse to accept
payment hereunder, Lessor shall, at Lessee's reque 5. Except as provided for in Paragraph 3. ab	est, deliver to Lessee a pove if Lessee drills a w	proper recordable inst ell which is incapable	rument naming a of producing in	another institutio paving guantitie	on as depo es (herein	ository agent to rec after called "dry hol	eive payments. e") on the leased
premises or lands pooled therewith, or if all produ	iction (whether or not in	n paying quantities) p	permanently cea	ses from any o	ause, inc	iuding a revision o	f unit boundaries
pursuant to the provisions of Paragraph 6 or the nevertheless remain in force if Lessee commences	operations for reworkin	g an existing well or f	for drilling an ad-	ditional well or f	for otherw	ise obtaining or res	storing production
on the leased premises or lands pooled therewith v the end of the primary term, or at any time therea	vithin 90 days after com Ifter, this lease is not ot	pletion of operations o herwise being mainta	on such dry hole lined in force bu	or within 90 da at Lessee is the	ys after s in engage	uch cessation of all ed in drilling, rewor	production. If at king or any other
operations reasonably calculated to obtain or restor no cessation of more than 90 consecutive days, a	re production therefrom,	this lease shall remai	in in force so lon	ig as any one of	r more of	such operations an	e prosecuted with
there is production in paying quantities from the lea	ased premises or lands	pooled therewith. Aft	ter completion o	f a well capable	e of produ	icing in paying qua	ntities hereunder,
Lessee shall drill such additional wells on the lease to (a) develop the leased premises as to formation							
leased premises from uncompensated drainage by additional wells except as expressly provided herein		d on other lands not j	pooled therewith	. There shall b	e no cove	enant to drill explor	atory wells or any
<ol><li>Lessee shall have the right but not the ob</li></ol>	oligation to pool all or ar						
depths or zones, and as to any or all substances proper to do so in order to prudently develop or ope	erate the leased premise	es, whether or not sim	ilar pooling auth	ority exists with	respect t	o such other lands	or interests. The
unit formed by such pooling for an oil well which is horizontal completion shall not exceed 640 acres pl	not a horizontal comple lus a maximum acreage	tion shall not exceed tolerance of 10%; pro	80 acres plus a ovided that a larg	maximum acre er unit may be	age tolera formed fo	ance of 10%, and for or an oil well or gas	or a gas well or a well or horizontal
completion to conform to any well spacing or densi of the foregoing, the terms "oil well" and "gas well"	ty pattern that may be p	rescribed or permitted	d by any governi	mental authority	having ju	irisdiction to do so.	For the purpose
prescribed, "oil well" means a well with an initial gas	s-oil ratio of less than 10	0,000 cubic feet per t	parrel and "gas v	well" means a w	ell with a	n initial gas-oil ratio	of 100,000 cubic
feet or more per barrel, based on 24-hour production equipment; and the term "horizontal completion" in							
equipment; and the term "horizontal completion" m component thereof. In exercising its pooling rights	neans an oil well in which	ch the horizontal com	ponent of the g	ross completion	interval	in the reservoir exc	ceeds the vertical
Production, drilling or reworking operations anywh	iere on a unit which inc	dudes all or any part	of the leased p	oremises shall l	be treated	d as if it were proc	luction, drilling or
reworking operations on the leased premises, exce net acreage covered by this lease and included in	ept that the production on the unit bears to the to	n which Lessor's roya otal gross acreage in	alty is calculated the unit, but on	shall be that pi ly to the extent	roportion ( such pro	or the total unit pro portion of unit prod	ouction which the Juction is sold by
Lessee. Pooling in one or more instances shall no unit formed hereunder by expansion or contraction	t exhaust Lessee's pool	ing rights hereunder,	and Lessee sha	all have the recu	ırring righ	t but not the obliga	tion to revise any
prescribed or permitted by the governmental author	ority having jurisdiction,	or to conform to any	productive acre-	age determinati	ion made	by such governme	ntal authority. In
making such a revision, Lessee shall file of record leased premises is included in or excluded from the	a written declaration de e unit by virtue of such r	scribing the revised u evision, the proportio	nit and stating the n of unit product	ne eπective data tion on which ro	e or revisi yalties ar	e payable hereund	any portion of the er shall thereafter

be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transferrs its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- in accordance with the net acreage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, materials water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.
- 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.
- 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- time after said judicial determination to remedy the breach or default has becomed, this lease shall not be folletted or canceled in whole of its part thiess bessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

  14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)	
By: Joaque in Rics	By:
STATE OF TEXAS	CKNOWLEDGMENT
COUNTY OF Taviait  This instrument was acknowledged before me on the by:  Daguin Cos, a Married pris	day of March joined by spouse
MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011	Muramy Fublic, State of TX  Notary's name (printed): Notary's commission expires:
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	day of, 2009,
	Notary Public, State of

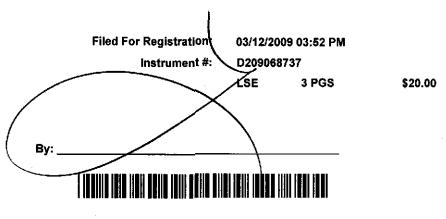


DALE PROPERTY SERVICES
ATTN: ANN VANDENBERG
2100 ROSS AVE, STE 1870, LB-9
DALLAS TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D209068737

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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